

NSC Briefing

11 May 1953

## SOVIET UNION

We recently have had the first evidence that the Central Committee of the Communist Party itself may be undergoing a re-organization somewhat similar to the major re-organization of the administrative units in the government. This re-organization in the party apparatus will consolidate functions, reduce the number of personnel, and should improve the Party's ability to supervise governmental and economic operation.

## FAR EAST

KOREA In foreign policy the Communist attitude in the Far East shows no significant change. At Panmunjom the Chinese Communists have offered minor clarifications of their 8 point proposal but still show no disposition to compromise on the critical issue--the final disposition of the prisoners of war who refuse to return.

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Syngman Rhee recently has made threats, backed up by ostensible popular demonstrations, to withdraw his troops from UN command and stage an independent offensive should the UN agree to a divided Korea. Rhee's attitude is believed to be largely a bluff and when the chips are down he is not expected to pursue any policy that might undermine a truce.

INDOCHINA      In Indo-China the military situation in Laos remains quiet. Only small-scale Viet Minh attacks against isolated French outposts have been reported. The Communists, who have withdrawn the bulk of their forces toward the Tonkin Delta, may leave only enough troops in Laos to consolidate their territorial gains and pin down French forces for the rest of the summer, after which a new Communist attack against Laos may take place. The French, meanwhile, are still confronted with the political problems caused by the invasion of Laos. Paris indicates that it would not oppose a move by Thailand to put the Laotian case before the UN. The French apparently believe that an appeal by a fully independent Asian country such as Thailand would not stir up international

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attack on French Union policies, particularly by the Arab-Asian Bloc, as would be the case if France herself raised the Laotian issue in the UN. We believe the French are overly optimistic in this line of reasoning. Thailand, in the meantime, has urgently requested additional shipments of American arms. This reflects Bangkok's immediate concern over the Communist advance toward the Thai border, as well as its long-range concern to obtain a more definite American commitment in Southeast Asia.

France also has offered some concessions to the Cambodian government to quiet that country's demand for complete independence. However, the concessions offered are not sufficient to eliminate the basic complaints against French domination. The King of Cambodia, who is now in Tokyo, is displeased with a US press report that said the King's criticism of his relations with the French were a "shock" to the American State Department. The King has asked for diplomatic representations to the State Department calling attention to the seriousness of these assertions.

#### MIDDLE EAST

In the Middle East, Communist policy in Syria, Lebanon, Jordan, and Egypt calls for demonstrations by the local Communist parties during the present tour of Secretary Dulles. These local parties, however, are relatively weak and such demonstrations should be controllable by the security forces of those countries. Some type of protest demonstrations by

Arab refugees from Palestine also are expected.

EGYPT The principal pressure on Secretary Dulles, it would appear, will come through General Nagib in Egypt. Last week the British-Egyptian talks on the Suez were suspended over the issue of unconditional British evacuation of that area. Egyptian diplomats have indicated that this suspension is a delaying action so that pressure may be brought to bear on Mr. Dulles while he is in Cairo to endorse the Egyptian position against the British. The Cairo position is full evacuation followed by full Egyptian control of Suez.

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IRAN In Iran Premier Mossadeq also hopes to involve the US in a dispute with the British, this time, of course, on the issue of the Anglo-Iranian oil negotiations. Mossadeq has suggested that he and the Iranian parliament would be bound by the ruling of the President of the US should the President accept the role of negotiator. The possibility of Mossadeq guaranteeing anything from the Iranian parliament is best seen by the riots and confusion which marked the re-opening of the Majlis on Sunday.

Mossadeq has improved his position relative to the Shah, who on Monday agreed to turn over the royal lands to the Mossadeq government. However, the aged Premier still has a battle on his hands among the Iranian politicians. In addition to the rioting in the Parliament, which indicates that the Mossadeq forces still have not achieved legislative control, Mossadeq's own man in the royal court, that is, Acting Minister of Court Amini, is maneuvering to replace with a man of his own choosing the Iranian Army's Chief of Staff, who takes his orders from Mossadeq. Amini also suggested that Mossadeq might be encouraged to retire after a successor such as Amini has received the necessary political build-up to take over the premiership.

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#### WESTERN EUROPE

GERMANY In Western Europe Communist policy towards the question of German re-unification has shown no identifiable change. The Moscow press on the recent anniversary of the German surrender set forth a "socialized East Germany" as the model for a unified Germany. This may be an attempt by the authors of the articles, East German leaders Grotewohl and Ulbricht, to show that rumors of a Soviet policy change on Germany are without foundation.

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With regard to EDC ratification in France, Foreign  
FRANCE  
Minister Bidault has urged a Western offer of four-power  
talks on disarmament as a means of convincing French public  
opinion that ratification of EDC is necessary. Socialist Leader  
Mollet also has called for four-power talks on Germany prior to  
French action on EDC. Ratification prospects are unlikely to be  
affected by the split between General De Gaulle and his followers.  
However, the life of the Mayer government may be somewhat pro-  
longed while the other French political parties compete for the  
allegiance of former Gaullist deputies.

On the Austrian question, a Soviet spokesman in Vienna  
AUSTRIA  
has said that an agreement on Korea is a prerequisite  
to the signing of an Austrian treaty. This attempt to link the  
two issues, if persisted in by Moscow, may afford the Soviets  
the chance to use a stalemate in Korea as a reason for stalling  
on Austria and other major issues.

France still remains in some disagreement with the  
United States on the tactics the West should pursue on the  
Austrian treaty, which is scheduled to be the subject of four-  
power discussion next week. Paris fears Soviet propaganda

would exploit American insistence on revising Article 35 of the old draft treaty, which calls for a \$150,000,000 reparations for the USSR. The French would agree to reopen discussion on this article only if the Russians attempt to reopen some other item previously agreed upon.

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On the question of Trieste, [REDACTED]  
TRIESTE-ITALY the Communists, with an eye on the Italian elections, may be preparing an announcement that the Soviet Union now supports the return of Trieste to Italy. Premier De Gasperi has attempted to soften the propaganda impact of such a Communist move by publicly inviting the USSR to adhere to the Western Tripartite Declaration of 1948, which first proposed the return of Trieste to Italy.

At the same time, the Communists have made a  
YUGOSLAVIA gesture toward the second party in the Trieste dispute, Yugoslavia. For the first time since 1948, the Yugoslav ambassador in Moscow recently was received by the Soviet foreign ministry in a state visit. The Yugoslav diplomat, however, said the conversation with Molotov was entirely formal and general. On the broader issue of Soviet-Yugoslav relations, Yugoslav leaders have consistently indicated they will not accept gestures of reconciliation unless there is a concrete reversal of Soviet policy toward their country.

LATIN AMERICA

ARGENTINA In Latin America, Peron's recent curtailment of the US news agencies in Argentina suggests that he has abandoned his policy of attempting to improve relations with Washington. Pressure for such a change in policy has come from both the extreme left and right in Peron's own camp as well as from his fear that the political opposition will exploit current economic and political unrest.

BOLIVIA Bolivia also has shifted its policy on a major issue and may now be prepared to pay compensation to the owners of the three nationalized mining companies. However, the money for such payment, as well as the revenues necessary for survival of the government, must come from US purchases of Bolivian tin. Accordingly, Bolivia has enlisted the active cooperation of Brazil, Chile and Ecuador in making representations to the United States on the question of renewing RFC purchases of tin.

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